

# **EXHIBIT E**

**HOSPITAL AUTHORITY  
EXECUTIVE SESSION  
FEB. 1, 1989  
SEE PAGES 2 AND 3**

EXECUTIVE SESSION  
OF THE MEETING OF THE  
HOSPITAL AUTHORITY OF ALBANY/DOUGHERTY COUNTY

CALL TO  
ORDER

The meeting of the Executive Session of the Hospital Authority of Albany/Dougherty County was called to order at 12 Noon on February 1, 1989 in the Ninth Floor Auditorium (E) of Phoebe Putney Memorial Hospital by the Chairman, Mr. Harry Willson. Members present included Mr. Willson, Ms. McCormack, Mr. Brunson, Mr. Hampton, Mr. Bridges, Mr. Cross, Dr. Crimmins and Dr. Scoggins. Also present were the Chief of Medicine, Dr. Stubbs; the Chief of Surgery, Dr. Richardson; the administrator, Mr. Wernick; and Mr. Robert Baudino, attorney.

CON  
STATUS

Mr. Wernick reported that the hospital still had two CON applications outstanding. The first, he said, was the adolescent psychiatric/substance abuse application and a decision was expected by February 10. He said that it was possible that the state would decide there was no need for such a service in this part of the state; however, HCA in Albany and John Archbold Memorial Hospital in Thomasville had also applied for a Certificate-of-Need for this type of unit. He said that the Albany HCA application was not from HCA/Palmyra Medical Centers but from HCA Psychiatric Company. Mr. Wernick said that if HCA attempted to set up such a program using in-house beds at Palmyra, that Phoebe Putney would vigorously oppose it because the application has not been made in the name of HCA/Palmyra. Dr. Stubbs commented that there was certainly a need for such services in this part of the state as well as a need for qualified personnel. Mr. Wernick agreed.

Mr. Wernick said that the second CON for which Phoebe Putney had applied was for ambulatory surgery. He said it was designed to designate two surgical rooms for outpatient surgery specifically. He said that a private group of physicians not associated with the hospital medical staff had made application for a free-standing ambulatory surgery center and it would be hoped that the Phoebe Putney application would serve to block the application for the free-standing facility as it would be much less expensive. He said that a decision was expected by April 16.

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BOARD  
RETREAT

Mr. Wernick said that as discussed in the past, plans were underway to set up a Board retreat for the Authority, hopefully in March, for strategic planning purposes. He asked that the Authority members be in touch with the Administration office to register their preference for which weekends would work best with their schedules.

MACK  
SUTTON, M. D.

Dr. Chastain said that the Professional Affairs Committee had received a report earlier that day on the subject of Mack Sutton, M. D. He said that Dr. Sutton was an older pediatrician who had voluntarily changed from active to consulting staff in 1986. He said that Dr. Sutton had recently requested to go back to active staff status and had been denied this request by the Credentials Committee and Medical Executive Committee based on quality of care issues that had arisen before Dr. Sutton went on consulting staff. He said that as part of the Fair Hearing Plan, Dr. Sutton had then been notified that he had 30 days in which to request a fair hearing and that he had not done so and therefore now waived his right to a hearing. He said that on the 27th day of the 30-day period, Dr. Sutton did ask that his request for active staff be withdrawn but that this was too late in the process to withdraw the request. Dr. Chastain said that nothing had been received from Dr. Sutton in writing.

ACTION: It was moved by Mr. Bridges and seconded by Dr. Crimmins to back up the medical staff in its denial of active staff status for Dr. Mack Sutton. The motion passed unanimously.

Dr. Chastain said that the hospital had no choice but to report the matter to the Composite State Board of Medical Examiners.

PROPOSED  
ACQUISITION  
OF HCA/  
PALMYRA

Mr. Wernick distributed a hand-out which illustrated a comparison of gross revenue per adjusted patient day for Phoebe Putney, the region, state, nation, and the local competition. He pointed out that Phoebe's charge per day is significantly lower than the local competition.

Mr. Wernick then introduced Mr. Robert Baudino of Nieman, Nieman, Stone and Spelman in Des Moines, Iowa, who had been instrumental in assisting Phoebe

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Putney management in its negotiations to purchase HCAPalmyra Medical Centers. He said that Mr. Baudino was present so that he might answer any questions the Authority might have regarding the proposed acquisition.

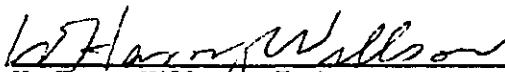
Mr. Wernick and Mr. Baudino both pointed out to the Authority that the issue of confidentiality had been stressed to Phoebe Putney representatives throughout the process by HCA and that HCA was the one who had made the negotiation information public.

Mr. Wernick said that he felt Phoebe Putney should pursue the matter should HCA show interest again. He said that in the meantime, Phoebe would move ahead in master planning and renovation in order to create more room for patients. Ms. McCormack expressed congratulations to Mr. Wernick for his professional handling of the negotiations.

ADJOURNMENT

There was no further business and the meeting was adjourned.

HOSPITAL AUTHORITY OF ALBANY/DOUGHERTY COUNTY

  
W. Harry Willson, Chairman

  
Joel Wernick, Secretary